

CITY OF SAN JOSE
2007-2008 ADOPTED CAPITAL BUDGET

CAPITAL PROGRAMS BY CITY SERVICE AREA

**Community & Economic
Development**

Developer Assisted Projects

Public Safety

Public Safety

**Environmental & Utility
Services**

Sanitary Sewer System
Storm Sewer System
Water Pollution Control
Water Utility System

**Transportation & Aviation
Services**

Airport
Parking
Traffic

Neighborhood Services

Library
Parks & Community Facilities

Strategic Support

Civic Center
Communications
Municipal Improvements
Service Yards

CITY OF SAN JOSE

2007-2008 ADOPTED CAPITAL BUDGET

CAPITAL PROGRAM PERFORMANCE MEASURES

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program. Measures have been established for four key areas: schedule (cycle time), cost, quality, and customer satisfaction.

The following table lists the City-wide capital program performance measures. These measures are designed to provide uniformity and consistency, provide clear and measurable outcomes, and to encourage operating CSAs and departments to consider total requirements for service delivery, including capital facilities and assets.

City-Wide Capital Program Performance Measures

5 Year Strategic Goals		2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimate	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Deliver Quality CIP projects on-time and on-budget	1. % of CIP projects delivered* within 2 months of approved baseline schedule	85%	85%	79% (107/136)	85%	85%
	2. % of CIP projects that are completed** within the approved baseline budget	90%	90%	69% (35/51)	90%	90%
	3. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	80%***	80%	80%
	4. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	86%****	85%	85%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes¹

* Projects are considered to be "delivered" when they are available for their intended use.

** Projects are considered to be "completed" when final cost accounting has occurred and the project has been accepted.

*** 2006-2007 O&M survey results based on projects that reached beneficial use in 2005-2006.

**** 2006-2007 Customer Satisfaction survey results based on projects that reached beneficial use in 2006-2007.

¹ Changes to Performance Measures from 2006-2007 Adopted Budget:

✕ “% of project delivery costs compared to total construction costs for projects: less than \$500,000, between \$500,000 and \$3,000,000, greater than \$3,000,000” was eliminated from each CSA, and replaced by a new measure in the Public Works Department Plan, Design and Construct Public Facilities Core Service located in the 2007-2008 Adopted Operating Budget. The revision introduces an improved methodology which captures more complete project delivery costs and sets targets based on benchmarks by project type.

Performance Measurement Update

The delivery of capital projects remains at a very high level during the City’s *Decade of Investment*. In 2006-2007, City staff delivered an estimated 136 projects. This results in over 1,000 projects delivered to the community since the year 2000. On-time delivery of projects remains an important priority for the City, with an estimated 78% performance level for 2006-2007. While this is below the 85% performance target, the City is continuing to make strides in identifying potential project-related issues that may impact timely project delivery in the early stages of project development. The goal is to address project issues early and quickly so as to minimize impacts to project

CITY OF SAN JOSE

2007-2008 ADOPTED CAPITAL BUDGET

CAPITAL PROGRAM PERFORMANCE MEASURES (CONT'D.)

Performance Measurement Update (Cont'd.)

schedules. Some of the reasons that project schedules have been extended include coordination with other agencies (utility connections, easements, permits, and agreements), extended community processes, extensive time in determining the final scope of work, and complications during the rehabilitation of existing structures.

On-budget performance is measured after all costs have been accounted for and after recordation of project acceptance by the County of Santa Clara. Project acceptance can occur months or sometimes a year or more after a project reaches beneficial use because of such issues as the time required to complete punch list items or resolve contractor claims. Of the estimated 51 projects accepted in 2006-2007 and included in the on-budget performance calculation, an estimated 69% were delivered on-budget as compared to project baseline budgets. This is below the 90% on-budget performance target. Some projects went over budget due to project schedule-related delays, which often required additional costs to staff, consultants, and/or contractors. In addition, some projects experienced higher than anticipated right-of-way costs and utility conflicts, which often required significant redesigns.

The performance measurement for quality is derived from surveys in which operations and maintenance groups provide their opinions on completed capital projects. Operations groups measure how well the projects function and serve the purposes specified during project scoping. Maintenance groups are asked to rate how sustainable projects are in terms of maintenance. Because most projects have a one-year warranty period provided by the contractors and because of the training of operators and maintenance staff on new or modified facilities, surveys for capital projects are conducted after a facility has been in operation for one year.

Operations and maintenance surveys were conducted in 2006-2007 for a representative sample of projects that reached beneficial use in 2005-2006. The average survey result of 80% rating the facilities as functional and sustainable after the first year of use meets the performance target of 80%. There were, however, a low number of responses from some CSAs. Some operators and maintenance staff expressed the desire to have more post-project discussions with project architects and engineers so that they could share areas that need corrective action. Project implementation staff is working with operations and maintenance groups to ensure that current issues are corrected and that improvements are made on future projects.

The customer satisfaction performance measures gather public feedback on completed capital projects. These surveys are conducted after a project has been delivered and is in use. Most CSAs conducted surveys on users of facilities, such as in libraries, parks, and public buildings. Some CSAs conducted surveys of residents and businesses impacted by the construction of the project as it is difficult to obtain useful public feedback on projects such as sewers, sidewalks, and traffic signals.

Customer satisfaction surveys were conducted for a representative sample of projects that reached beneficial use in 2006-2007. Customers were generally pleased with the new capital improvements and appearance of the projects, giving an average rating of 86%. Some survey respondents gave

CITY OF SAN JOSE
2007-2008 ADOPTED CAPITAL BUDGET

CAPITAL PROGRAM PERFORMANCE MEASURES (CONT'D.)

Performance Measurement Update (Cont'd.)

high marks to City staff and construction crews for keeping them informed of project progress and being responsive to residents.

Staff is analyzing survey results for both the quality and customer satisfaction measurements to determine what type of improvements should be incorporated into future projects. Staff is also evaluating more effective methods of conducting these surveys, including improvements to the structure and format, which will yield a higher percentage of returned surveys.